# December 2017 Data Release

The Home Purchase Sentiment Index® (HPSI) is a composite index designed to track consumers' housing-related attitudes, intentions, and perceptions, using six questions from the National Housing Survey®(NHS).

The Home Purchase Sentiment Index

The HPSI fell 2.0 points in December to 85.8, reversing the rise seen last month.

Home Purchase Sentiment Index (HPSI)
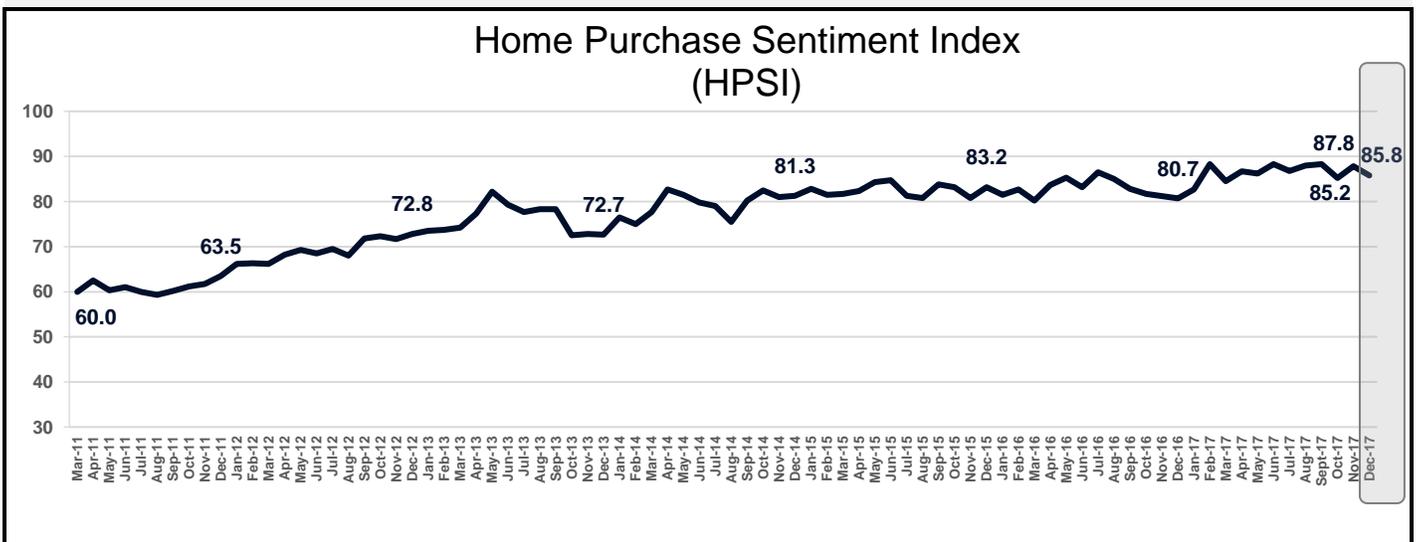
Components of the HPSI

The decrease in the HPSI can be attributed to decreases in four of the six HPSI components: "Confidence About Not Losing Job" (-6), "Good Time to Buy" (-5), "Home Prices Will Go Up" (-2), and "Mortgage Rates Will Go Down" (-1).

|	December 2017*	Change Since Last Month	Change Since Last Year
December 2017 HPSI	**85.8**	**-2.0**	**+5.1**
Good Time To **Buy**	24	-5	-8
Good Time To **Sell**	34	0	+21
Home Prices Will Go Up (next 12 months)	44	-2	+9
Mortgage Rates Will Go Down (next 12 months)	-52	-1	+3
Confidence About Not Losing **Job** (next 12 months)	68	-6	0
Household **Income** Is Significantly Higher (past 12 months)	16	+2	+6
* Net percentages of the component questions used to calculate HPSI, e.g. (Percent Good Time to Buy – Percent Bad Time to Buy) = 24			

Components of the HPSI – Good/Bad Time to Buy and Sell a Home

The net share of Americans who say it is a good time to buy a home fell 5 percentage points to 24%, erasing much of last month's rise.

Respondents who say it is a... to buy

······· Good Time   ······· Bad Time   —— Net Good Time
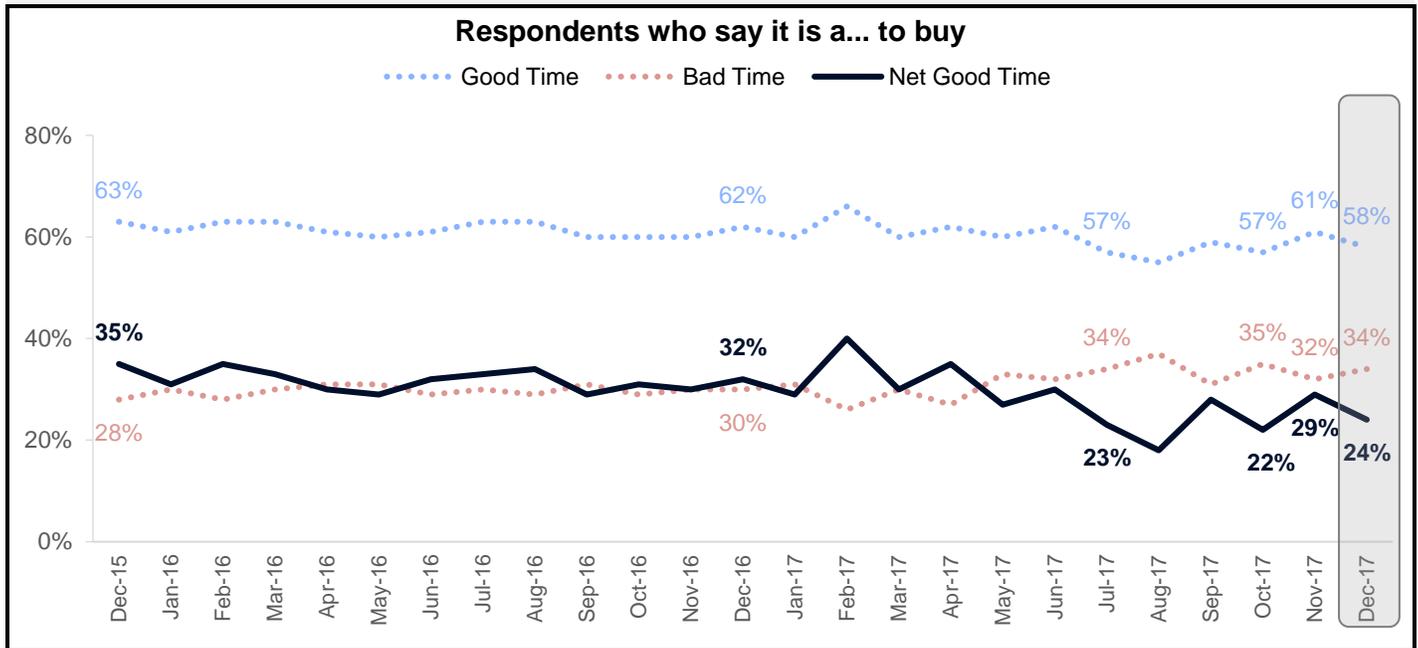
In December, the net percentage of those who say it is a good time to sell remained at 34%.

Respondents who say it is a... to sell

······· Good Time   ······· Bad Time   —— Net Good Time
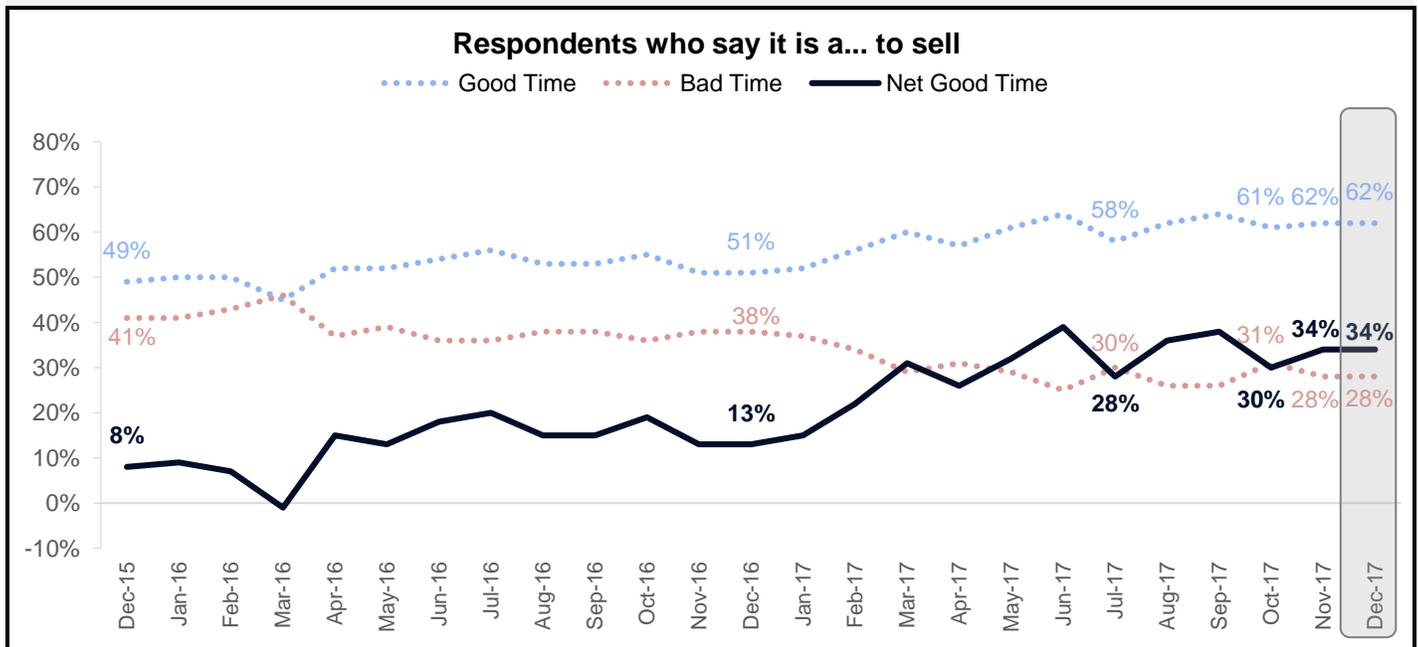
Components of the HPSI – Home Price and Mortgage Rate Expectations

The net share of Americans who say home prices will go up fell 2 percentage points to 44% in December.

Respondents who say home prices will... in the next 12 months

····· Go Up   ····· Go Down   ——— Net Go Up
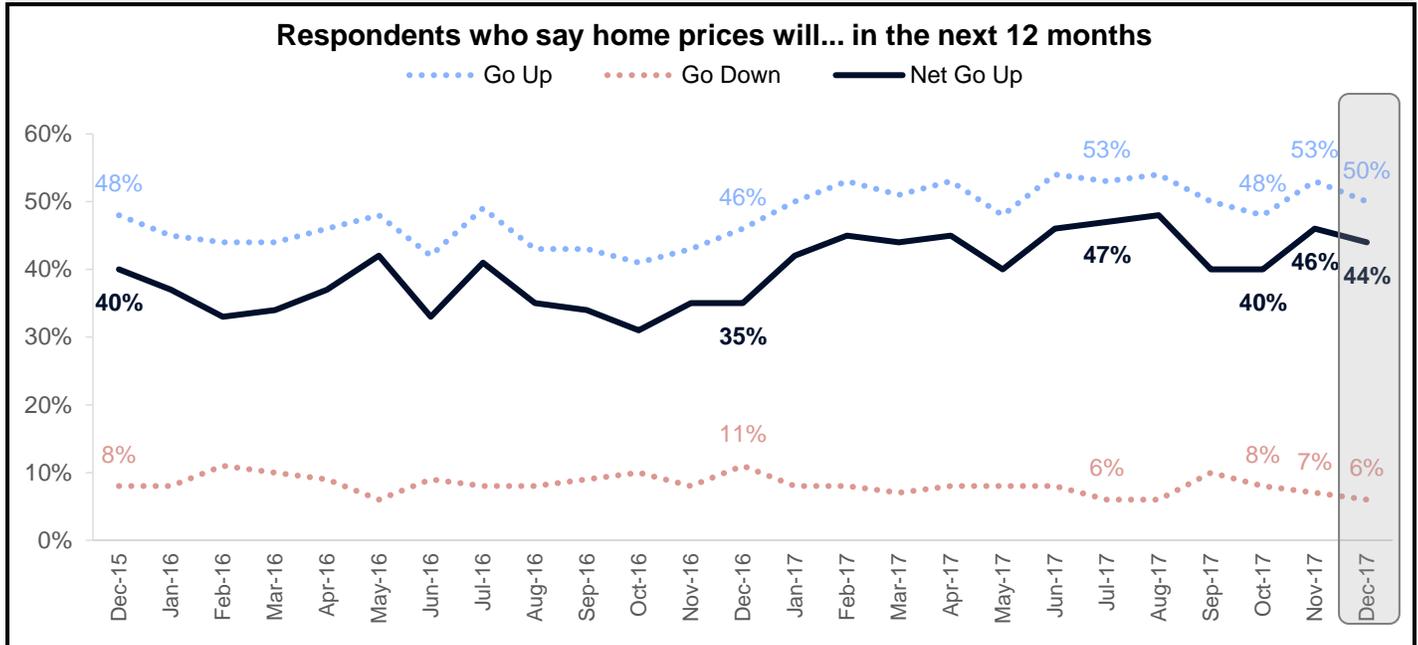
The net share of those who say mortgage rates will go down over the next 12 months fell 1 percentage point to -52%.

Respondents who say mortgage rates will... in the next 12 months

····· Go Down   ····· Go Up   ——— Net Go Down
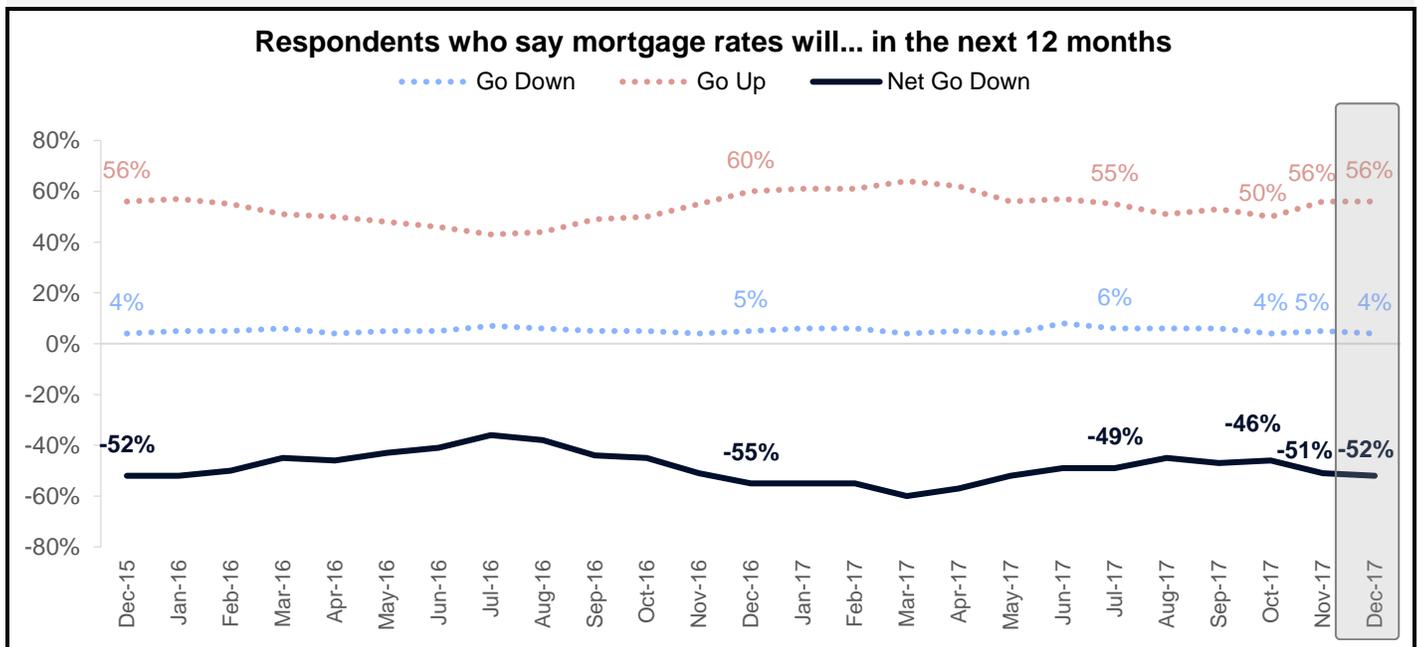
Components of the HPSI – Job Concerns and Household Incomes

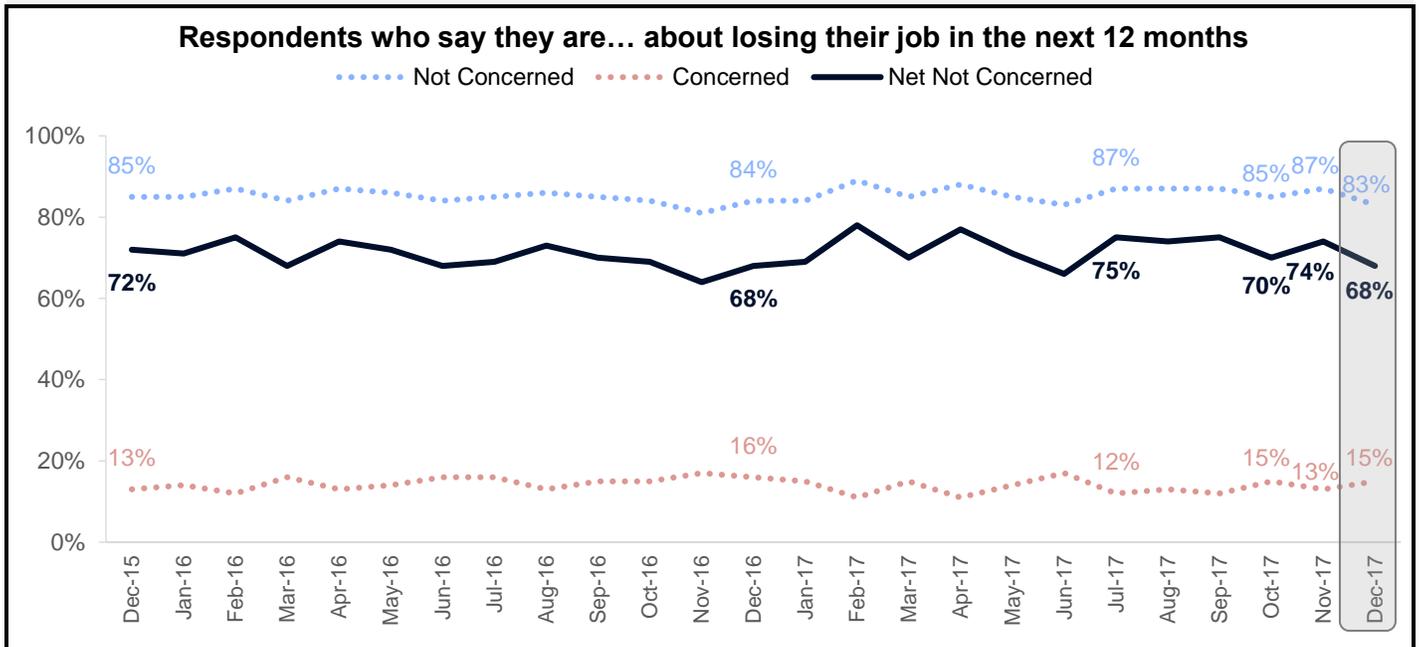The net share of Americans who say they are not concerned about losing their job fell by 6 percentage points to 68%.

Respondents who say they are… about losing their job in the next 12 months

······ Not Concerned   ······ Concerned   ——— Net Not Concerned

The net share of Americans who say their household income is significantly higher than it was 12 months ago rose 2 percentage points to 16%.

Respondents who say their household income is… than it was 12 months ago

······ Significantly Higher   ······ Significantly Lower   ——— Net Significantly Higher
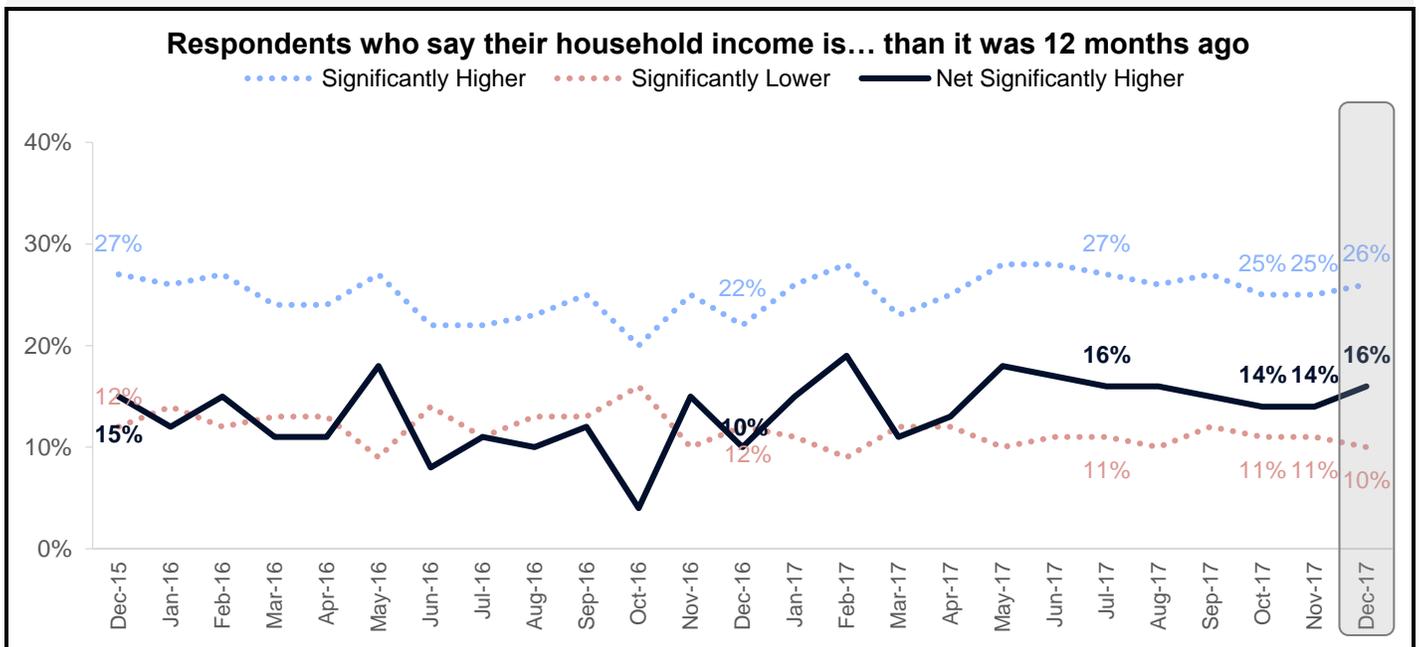
Additional National Housing Survey Key Indicators

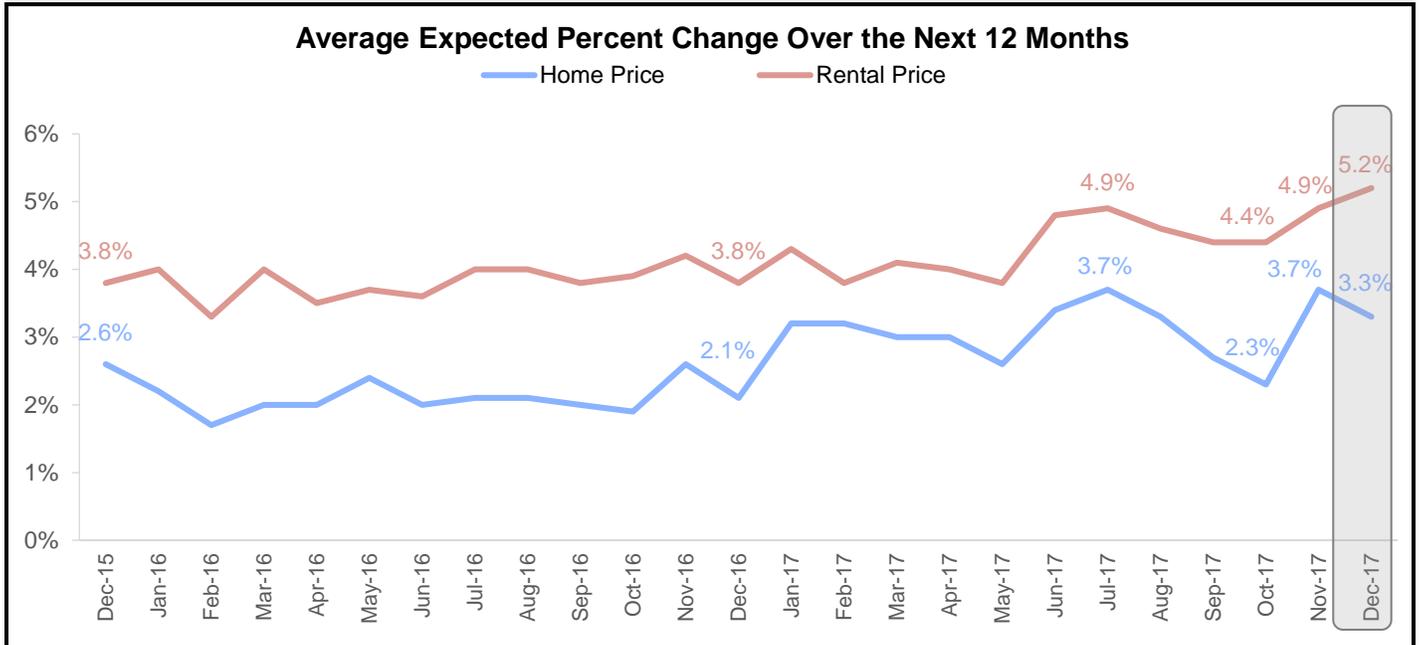On average, Americans expect rental prices to rise 5.2% over the next 12 months – 0.3 percentage points higher than last month, a new survey high. They expect home prices to rise 3.3% over the next 12 months, a 0.4 percentage point increase since last month.

Average Expected Percent Change Over the Next 12 Months

Home Price ——— Rental Price ———

The percentage of Americans who expect home rental prices to go up rose 1 percentage point to 61%, while the share of Americans who expect home rental prices to go down fell 1 percentage point to 1%, reaching a new survey high and survey low respectively.

Respondents who say home rental prices will... in the next 12 months

Go Up ——— Go Down ——— Stay the Same ·······
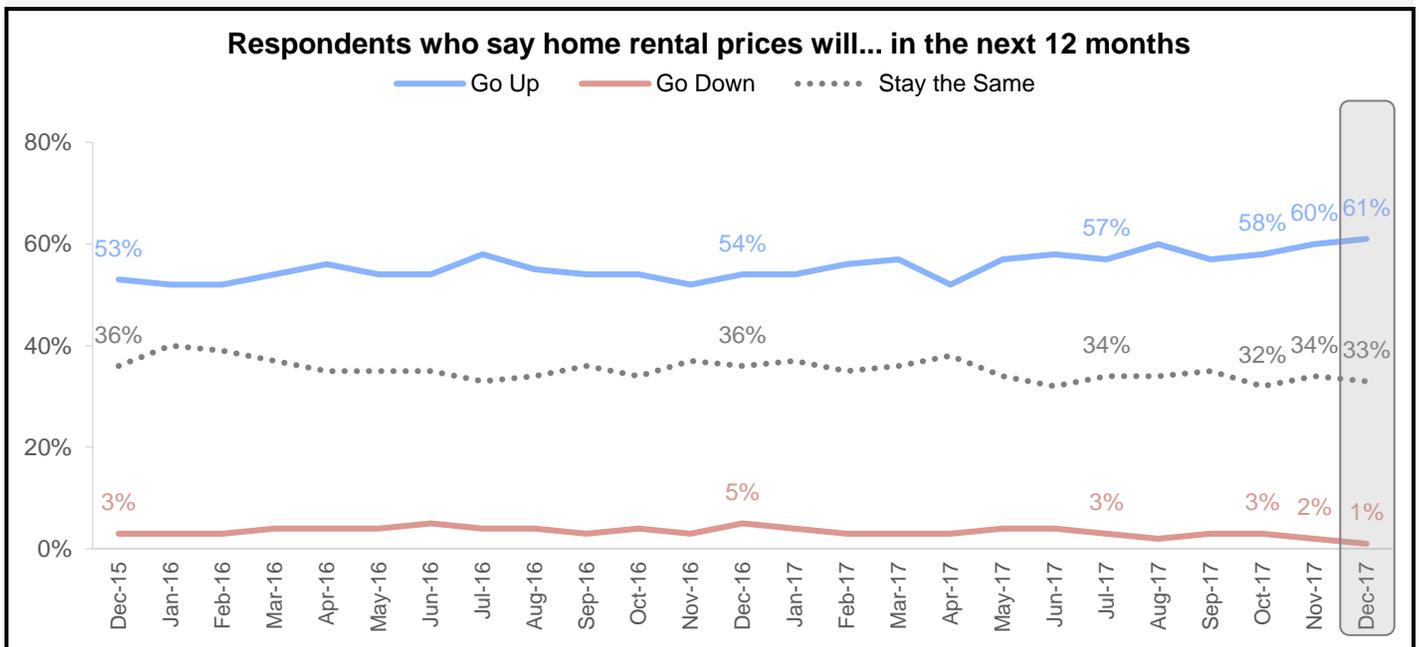
Additional National Housing Survey Key Indicators

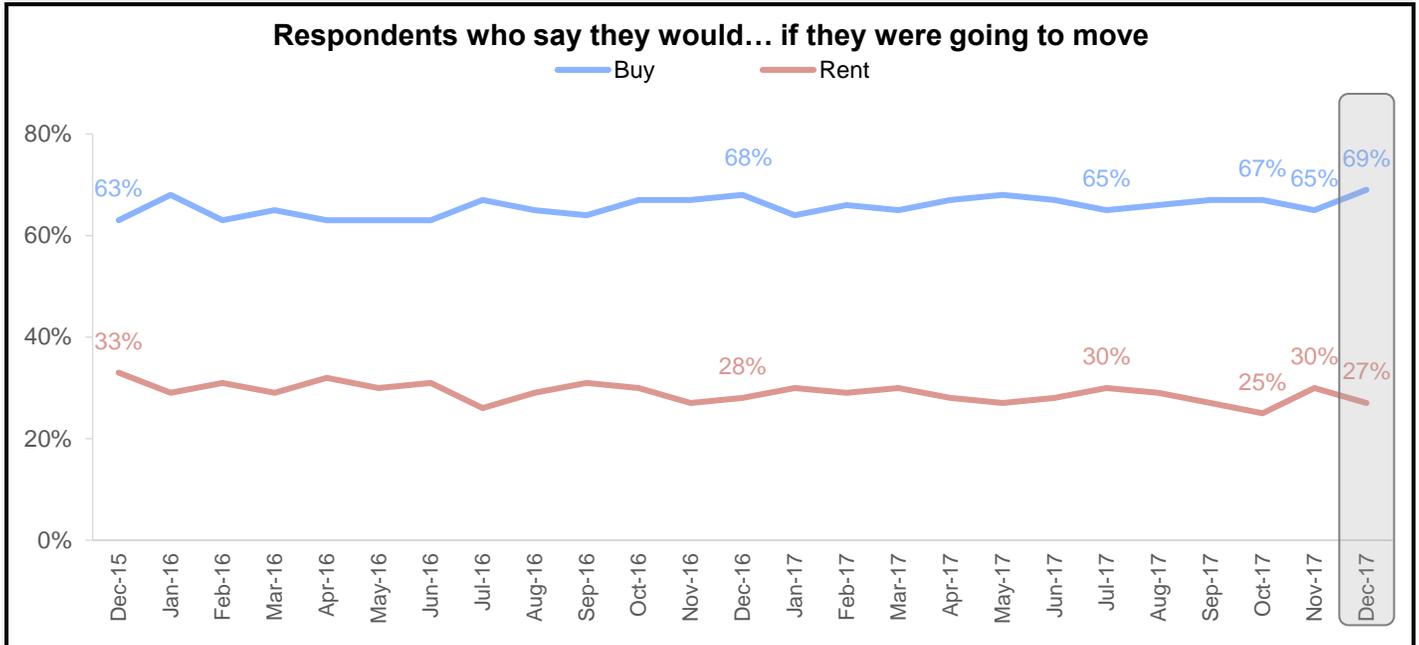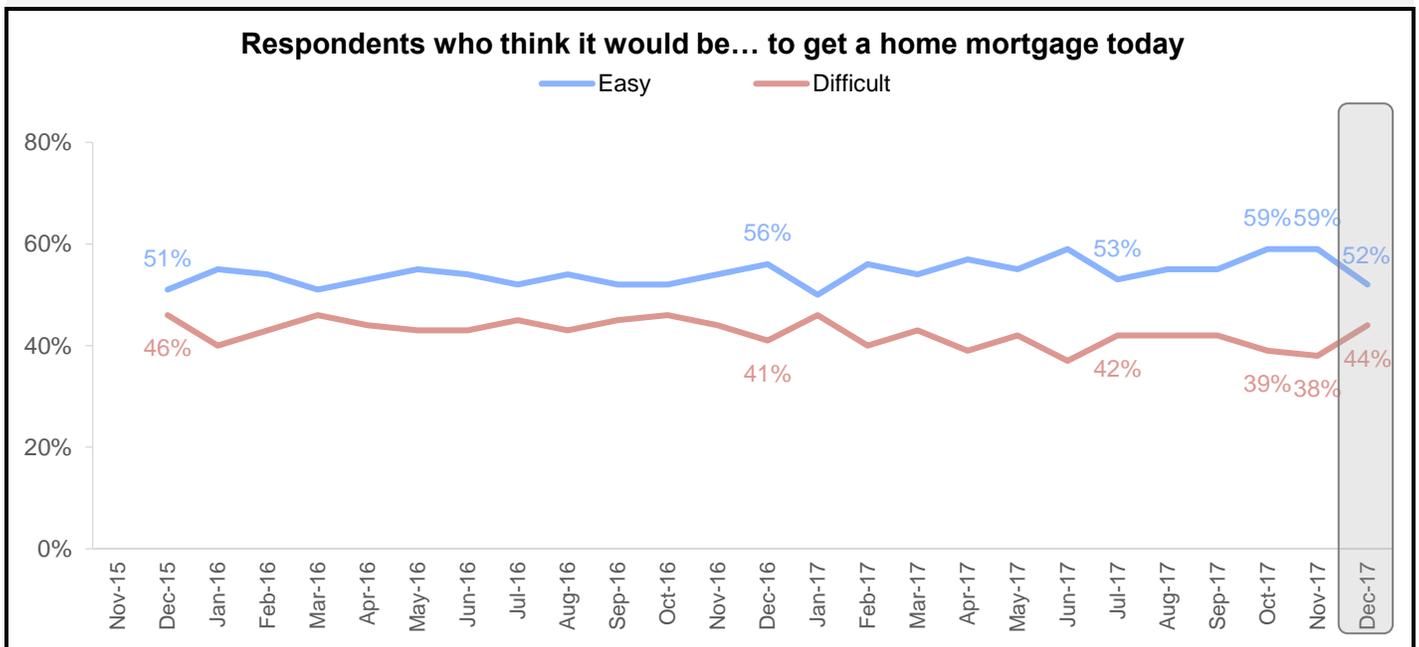The share of Americans who say they would buy if they were going to move rose 4 percentage points to 69%, while the share who say they would rent fell by 3 percentage points to 27%,

Respondents who say they would… if they were going to move

— Buy — Rent

Buy series labels: 63%, 68%, 65%, 67%, 65%, 69%
Rent series labels: 33%, 28%, 30%, 25%, 30%, 27%

X-axis: Dec-15, Jan-16, Feb-16, Mar-16, Apr-16, May-16, Jun-16, Jul-16, Aug-16, Sep-16, Oct-16, Nov-16, Dec-16, Jan-17, Feb-17, Mar-17, Apr-17, May-17, Jun-17, Jul-17, Aug-17, Sep-17, Oct-17, Nov-17, Dec-17

The share of Americans who say getting a mortgage would be easy fell 7 percentage points to 52% from the survey high seen last month. The share who say it would be difficult rose 6 percentage points to 44%.

Respondents who think it would be… to get a home mortgage today

— Easy — Difficult

Easy series labels: 51%, 56%, 53%, 59%, 59%, 52%
Difficult series labels: 46%, 41%, 42%, 39%, 38%, 44%

X-axis: Nov-15, Dec-15, Jan-16, Feb-16, Mar-16, Apr-16, May-16, Jun-16, Jul-16, Aug-16, Sep-16, Oct-16, Nov-16, Dec-16, Jan-17, Feb-17, Mar-17, Apr-17, May-17, Jun-17, Jul-17, Aug-17, Sep-17, Oct-17, Nov-17, Dec-17

Additional National Housing Survey Key Indicators

The share of Americans who expect their personal financial situation to get better fell 1 percentage point to 49%, and the share who expect it to stay the same rose 3 percentage points to 40%. The share who expect it to get worse over the next 12 months remained at 11%.

Respondents who expect their personal financial situation to… over the next 12 months

Get Better — Get Worse — Stay the same
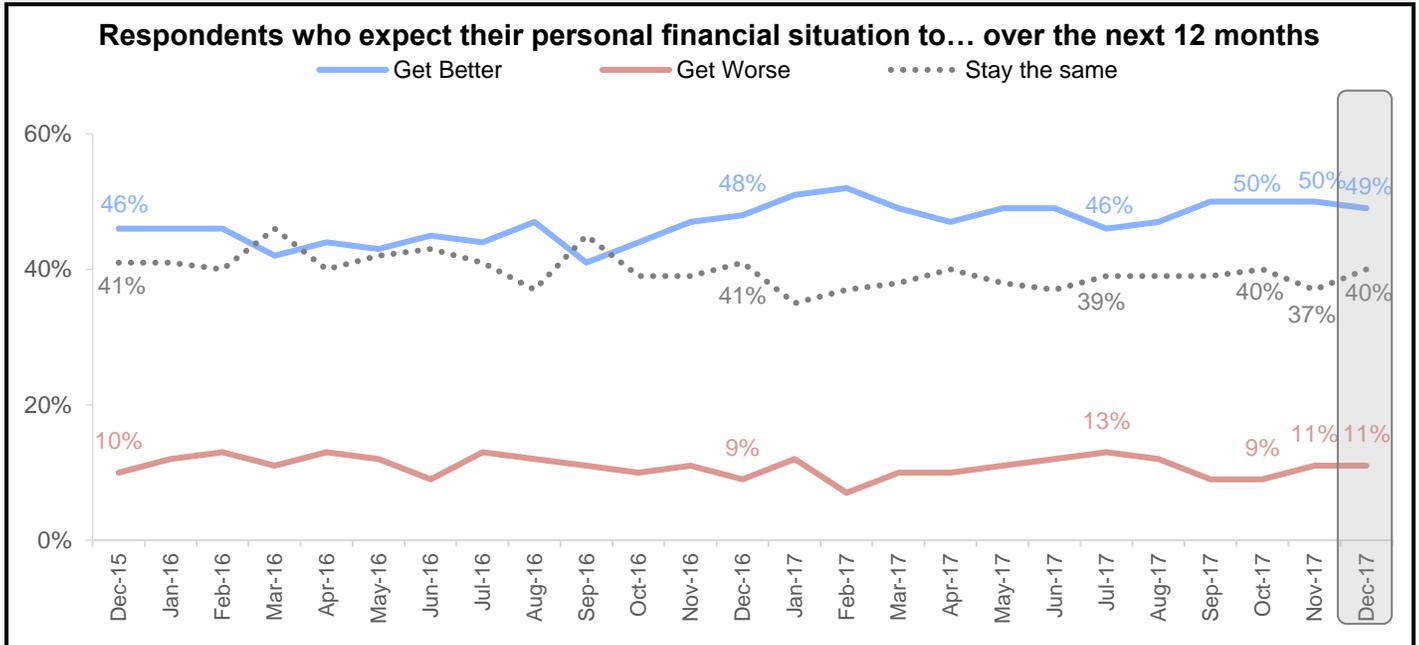
The share of Americans who say the economy is on the right track rose by 2 percentage points to 52%, reaching a new survey high. The share who say it is on the wrong track rose 3 percentage points to 41%.

Respondents who say the economy is on the...

Right Track — Wrong Track
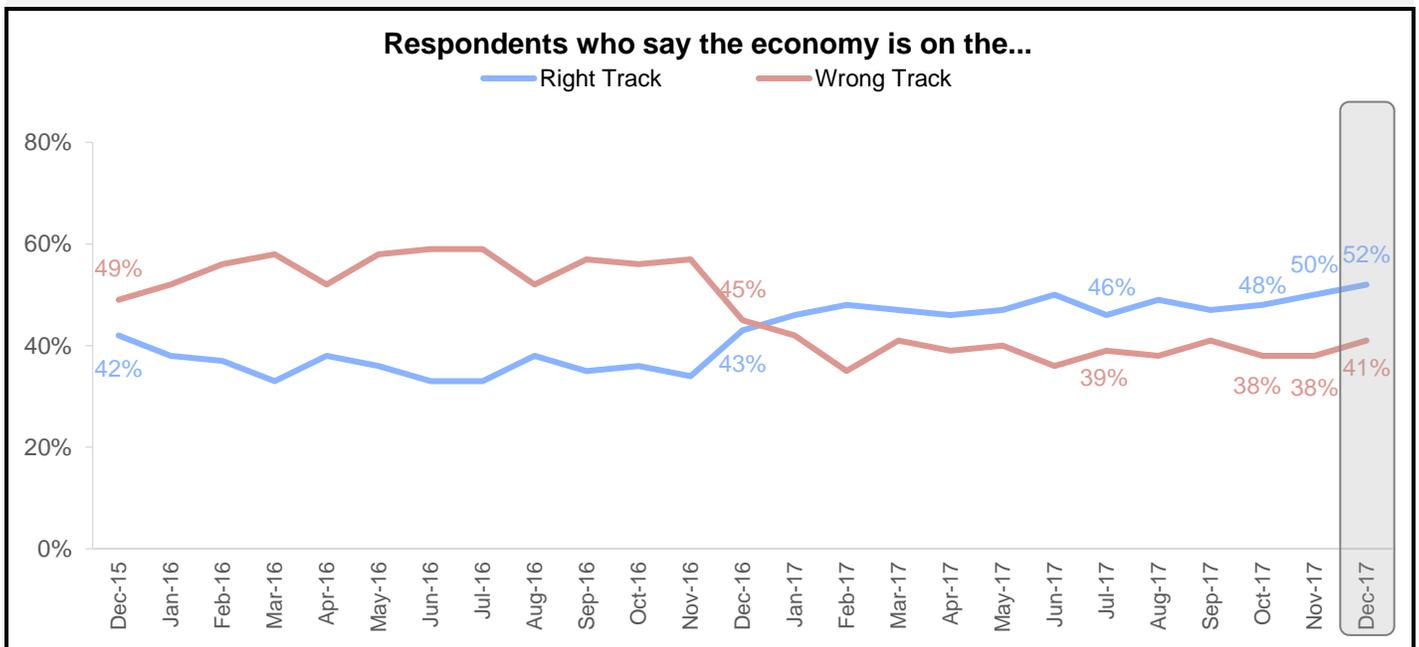
The National Housing Survey®
November 2017
APPENDIX

About the Survey

The National Housing Survey® polled a nationally representative sample of 1,004 household financial decision makers (margin of error ±3.1%) aged 18 and older between December 1, 2017 and December 18, 2017. Most of the data collection occurred during the first two weeks of this period.

Interviews were conducted by PSB, in coordination with Fannie Mae.

The statistics in this release were estimated from sample surveys and are subject to sampling variability as well as nonsampling error, including bias and variance from response, nonreporting, and undercoverage. Averages of expected price changes were calculated after converting responses of "stay the same" to 0% and after excluding outliers, which were defined to be responses that were more than two standard deviations from the means.

How the Home Purchase Sentiment Index (HPSI) is Calculated*	
Net Good Time to **Buy** *Very or Somewhat Good Time To Buy – Very or Somewhat Bad Time To Buy*	Q12
Net Good Time to **Sell** *Very or Somewhat Good Time To Sell – Very or Somewhat Bad Time To Sell*	Q13
Net **Home Prices** Will Go Up (next 12 months) *Home Prices Will Go Up – Home Prices Will Go Down*	Q15
Net **Mortgage Rates** Will Go Down (next 12 months) *Mortgage Rates Will Go Down – Mortgage Rates Will Go Up*	Q20B
Net Confident About Not Losing **Job** (next 12 months) *Not at All or Not Very Concerned about Losing Job – Very or Somewhat Concerned about Losing Job*	Q112B
Net Household **Income** is Significantly Higher (past 12 months) *Income is Significantly Higher – Income is Significantly Lower*	Q116

$$HPSI = \frac{Q12 + Q13 + Q15 + Q20B + Q112B + Q116}{6} + 63.5$$

* The HPSI calculation includes the addition of a constant of 63.5 in order to set the index's initial value at 60 as of March 2011, in range with the **Index of Consumer Sentiment** and the **Consumer Confidence Index**

Time Series Data: http://fanniemae.com/resources/file/research/housingsurvey/xls/nhs-monthly-indicator-data-010718.xlsx

HPSI Overview: http://fanniemae.com/resources/file/research/housingsurvey/pdf/hpsi-overview.pdf

HPSI White Paper: http://fanniemae.com/resources/file/research/housingsurvey/pdf/hpsi-whitepaper.pdf

Home Purchase Sentiment Index Over the Past 12 Months

December 2016	80.7
January 2017	82.7
February 2017	88.3
March 2017	84.5
April 2017	86.7
May 2017	86.2
June 2017	88.3
July 2017	86.8
August 2017	88.0
September 2017	88.3
October 2017	85.2
November 2017	87.8
December 2017	**85.8**

Percent of respondents who say it is a good or bad time to buy

	% Good Time to Buy	% Bad Time to Buy	Net % Good Time to Buy
December 2016	62	30	32
January 2017	60	31	29
February 2017	66	26	40
March 2017	60	30	30
April 2017	62	27	35
May 2017	60	33	27
June 2017	62	32	30
July 2017	57	34	23
August 2017	55	37	18
September 2017	59	31	28
October 2017	57	35	22
November 2017	61	32	29
December 2017	**58**	**34**	**24**

Percent of respondents who say it is a good or bad time to sell			
	% Good Time to Sell	**% Bad Time to Sell**	**Net % Good Time to Sell**
December 2016	51	38	13
January 2017	52	37	15
February 2017	56	34	22
March 2017	60	29	31
April 2017	57	31	26
May 2017	61	29	32
June 2017	64	25	39
July 2017	58	30	28
August 2017	62	26	36
September 2017	64	26	38
October 2017	61	31	30
November 2017	62	28	34
December 2017	**62**	**28**	**34**

Percent of respondents who say home prices will go up, go down, or stay the same in the next 12 months			
	% Go Up	**% Go Down**	**Net % Prices Will Go Up**
December 2016	46	11	35
January 2017	50	8	42
February 2017	53	8	45
March 2017	51	7	44
April 2017	53	8	45
May 2017	48	8	40
June 2017	54	8	46
July 2017	53	6	47
August 2017	54	6	48
September 2017	50	10	40
October 2017	48	8	40
November 2017	53	7	46
December 2017	**50**	**6**	**44**

Percent of respondents who say mortgage rates will go up, go down, or stay the same in the next 12 months			
	% Go Up	% Go Down	Net % Rates Will Go Down
December 2016	60	5	-55
January 2017	61	6	-55
February 2017	61	6	-55
March 2017	64	4	-60
April 2017	62	5	-57
May 2017	56	4	-52
June 2017	57	8	-49
July 2017	55	6	-49
August 2017	51	6	-45
September 2017	53	6	-47
October 2017	50	4	-46
November 2017	56	5	-51
December 2017	**56**	**4**	**-52**

Percent of respondents who say are concerned or not concerned about losing their job			
	% Concerned	% Not Concerned	Net % Not Concerned
December 2016	16	84	68
January 2017	15	84	69
February 2017	11	89	78
March 2017	15	85	70
April 2017	11	88	77
May 2017	14	85	71
June 2017	17	83	66
July 2017	12	87	75
August 2017	13	87	74
September 2017	12	87	75
October 2017	15	85	70
November 2017	13	87	74
December 2017	**15**	**83**	**68**

Percent of respondents who say their household income is higher, lower, or about the same compared to 12 months ago			
	% Significantly Higher	% Significantly Lower	Net % Higher
December 2016	22	12	10
January 2017	26	11	15
February 2017	28	9	19
March 2017	23	12	11
April 2017	25	12	13
May 2017	28	10	18
June 2017	28	11	17
July 2017	27	11	16
August 2017	26	10	16
September 2017	27	12	15
October 2017	25	11	14
November 2017	25	11	14
December 2017	**26**	**10**	**16**

Average home/rental price change expectation		
	% Home Price Change	% Rental Price Change
December 2016	2.1	3.8
January 2017	3.2	4.3
February 2017	3.2	3.8
March 2017	3.0	4.1
April 2017	3.0	4.0
May 2017	2.6	3.8
June 2017	3.4	4.8
July 2017	3.7	4.9
August 2017	3.3	4.6
September 2017	2.7	4.4
October 2017	2.3	4.4
November 2017	3.7	4.9
December 2017	**3.3**	**5.2**

Percent of respondents who say home rental prices will go up, go down, or stay the same in the next 12 months			
	% Go Up	% Go Down	% Stay the Same
December 2016	54	5	36
January 2017	54	4	37
February 2017	56	3	35
March 2017	57	3	36
April 2017	52	3	38
May 2017	57	4	34
June 2017	58	4	32
July 2017	57	3	34
August 2017	60	2	34
September 2017	57	3	35
October 2017	58	3	32
November 2017	60	2	34
December 2017	**61**	**1**	**33**

Percent of respondents who say they would buy or rent if they were going to move		
	% Buy	% Rent
December 2016	68	28
January 2017	64	30
February 2017	66	29
March 2017	65	30
April 2017	67	28
May 2017	68	27
June 2017	67	28
July 2017	65	30
August 2017	66	29
September 2017	67	27
October 2017	67	25
November 2017	65	30
December 2017	**69**	**27**

Percent of respondents who think it would be difficult or easy for them to get a home mortgage today		
	% Difficult	**% Easy**
December 2016	41	56
January 2017	46	50
February 2017	40	56
March 2017	43	54
April 2017	39	57
May 2017	42	55
June 2017	37	59
July 2017	42	53
August 2017	42	55
September 2017	42	55
October 2017	39	59
November 2017	38	59
December 2017	**44**	**52**

Percent of respondents who expect their personal financial situation to get better, get worse, or stay the same in the next 12 months			
	% Get Better	**% Get Worse**	**% Stay the Same**
December 2016	48	9	41
January 2017	51	12	35
February 2017	52	7	37
March 2017	49	10	38
April 2017	47	10	40
May 2017	49	11	38
June 2017	49	12	37
July 2017	46	13	39
August 2017	47	12	39
September 2017	50	9	39
October 2017	50	9	40
November 2017	50	11	37
December 2017	**49**	**11**	**40**

Percent of respondents who think the economy is on the right track or the wrong track		
	% Right Track	**% Wrong Track**
December 2016	43	45
January 2017	46	42
February 2017	48	35
March 2017	47	41
April 2017	46	39
May 2017	47	40
June 2017	50	36
July 2017	46	39
August 2017	49	38
September 2017	47	41
October 2017	48	38
November 2017	50	38
December 2017	**52**	**41**